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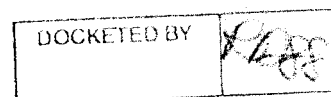
October 22, 2010

Arizona Corporation Commission

DOCKETED

OCT 25 2010

Vicki Wallace
Executive Consultant
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927



Re: Why Utility Water Company - Application for Sale and Transfer of Assets and Cancellation of Certificate of Convenience and Necessity ("CC&N") Docket Number W-02052A-10-0020

Dear Vicki:

Why Utility Water Company has asked that I confirm Why's Application is for a sale and/or transfer of assets and a cancellation of its Certificate of Convenience and Necessity. The residents of the certificated area of Why Utility Company have formed a Domestic Water Improvement District pursuant to Title 48 of the Arizona Revised Statutes to provide domestic water service for the area within the boundaries of the Why Utility CC&N. The purpose of domestic water improvement district is to apply and receive preferred governmental grants and funding to upgrade the water infrastructure system. Why Utility has formed the domestic water district to facilitate receiving grants and low interest loans. It is not creating the domestic water improvement district to avoid any obligations to the Arizona Corporation Commission or its rate payers. The domestic water improvement district currently has an ongoing USDA grant of \$2.6 million dollars to replace water lines and will be receiving an additional \$913,000.00 dollars to drill new wells.

There is no consideration for this transfer. The property owners and rate users who reside within the boundaries of the district will own the assets and will elect directors to govern the domestic water improvement district.

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There will be no change to the operation and maintenance of the system. However, the ability to receive federal grants and loans as a domestic water improvement district will greatly enhance the ability to upgrade and modernize the domestic water system.

Please accept our apologies for the delay in responding. If you have any questions concerning this matter, please feel free to call me at your convenience.

Very truly yours,

A handwritten signature in black ink, appearing to read "Stephen R. Cooper", with a long horizontal flourish extending to the right.

Stephen R. Cooper

SRC/aal